

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, NOVEMBER 9, 2020**

The meeting was called to order at 7:00 p.m., in City Hall Council Chambers by Mayor Pro Tem Mike Harmon with the following Council Members present: Chad Cummings, Alan Oberloh, Larry Janssen, Amy Ernst and Mike Kuhle (via conference call).

Staff present: Jason Brisson, Assistant City Administrator/Director of Economic Development; Jeremiah Cromie, City Planner; Todd Wietzema, Public Works Director; Steve Robinson, City Administrator; Debra Olsen, Staff Accountant; Mindy Eggers, City Clerk.

Others present: Justine Wettschrek, Radio Works; Ryan McGaughey, The Globe; Chris Kielblock, Cheniqua Johnson, Honorary Council Member.

The Pledge of Allegiance was recited.

**HONORARY COUNCIL MEMBER**

Mayor Kuhle welcomed Cheniqua Johnson as the Honorary Council Member for the months of October, November, December 2020.

**AGENDA APPROVED WITH ADDITIONS/CHANGES**

A motion was made by Council Larry Janssen, seconded by Council Member Cummings and unanimously carried to approve the agenda as presented.

**HELD PUBLIC HEARING AND ADOPTED RESOLUTION NO. 2020-11-98 RELATING TO A TEFRA HEARING AND \$7,970,000 GENERAL OBLIGATION SALES TAX REVENUE BONDS, SERIES 2020A**

Pursuant to published notice, this was the time and date set for a public hearing regarding the issuance of the General Obligation Sales Tax Revenue Bonds, Series 2020A.

The motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to open the hearing.

Jason Brisson, Assistant City Administrator/Director of Economic Development, stated Section 147(f) of the Internal Revenue Code of 1986, as amended requires that, in order to finance or refinance a project with the proceeds of tax-exempt bonds, the governmental unit having jurisdiction over the area in which the project is located must hold a public hearing regarding the issuance of the bonds and the financing of such projects and the applicable elected representative of such governmental unit must approve the issuance of the bonds to finance such projects after the hearing has been conducted (the "Federal TEFRA Requirements").

Mr. Brisson explained the City of Worthington intends to use the bond proceeds for the purpose of financing (1) improvements to the aquatic center located at 1501 Collegeway in the City; (2) improvements to the field house located at 700 Second Avenue in the City; (3) improvements to the ice arena located at 1600 Stower Drive in the City; (4) other park and recreation capital projects and improvements; (5) lake quality improvement; and (6) improvements to the 10th Street plaza in the City.

Mayor Kuhle asked if there was anyone that would like to provide testimony, there was none.

A motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to close the hearing.

The motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to adopt the following Resolution:

RESOLUTION NO. 2020-11-98

RESOLUTION RELATING TO A TEFRA HEARING AND \$7,970,000 GENERAL OBLIGATION SALES TAX REVENUE BONDS, SERIES 2020A

(Refer to Resolution File for complete copy of Resolution)

**CONSENT AGENDA APPROVED**

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the consent agenda as presented.

- City Council Minutes of Regular Meeting of October 26, 2020
- Water & Light Commission Meeting Minutes of November 2, 2020
- Joint Economic Development Authority/County Commissioner Meeting Minutes of October 2, 2020
- Planning Commission Meeting Minutes of October 6, 2020
- Traffic & Safety Meeting Minutes of October 27, 2020
- Convention & Visitors Bureau Board Meeting Minutes of September 30, 2020
- Application for Exemption from Lawful Gambling - Nobles County Ducks Unlimited
- Bills payable and totaling \$1,216,197.19 be ordered paid

**APPROVED APPOINTMENT OF WORTHINGTON FIRE DEPARTMENT FIRE CHIEF**

Steve Robinson, City Administrator, stated Section II of the Fire Department's Standard Operating

Guidelines states that all officer positions shall be appointed or reaffirmed by a majority of the Fire Department personnel provided that the Chief chosen shall be annually approved by the City Council. Members of the fire department met on September 29, 2020 and have forwarded the recommendation to appoint Jason Larsen as the Chief.

The Chief shall have general supervision of the department at all times and have control over all apparatus, equipment and supplies and command over all persons who are employees of the department. The Chief reports to the Director of Public Safety.

Council Member Cummings asked if other cities our size had an appointed or hired chief? Mr. Robinson said next year different options are going to be explored as to whether it would be an appointed or hired position.

A motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to appoint Jason Larsen as the Worthington Fire Chief.

**SECOND READING PROPOSED ORDINANCE TO AMEND WORTHINGTON CITY CODE, TITLE IX and XV, CHAPTERS 92,97,99 AND 155 LIMITING STORAGE OF INOPERABLE VEHICLES BY AUTO REPAIR SHOPS**

Pursuant to published notice this is the time and date set for the second reading of a proposed ordinance to amend City Code, Title IX and XV, Chapters 92, 97, 99 and 155 Limiting Storage of Inoperable Vehicles by Auto Repair Shops.

In an effort to save publication costs for the seven-page ordinance, staff requested Council also approve a publication of a summary ordinance as allowed by MN Statute 331A.01, Subd. 10, which grants Councils the ability to publish a summary.

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the second reading of the proposed ordinance.

**SECOND READING PROPOSED ORDINANCE TO AMEND WORTHINGTON CITY CODE XV, CHAPTER 152.012 TO INCLUDE A LETTER MAP REVISION FOR FLOOD PLAIN MAPS EFFECTIVE DECEMBER 31, 2020**

Pursuant to published notice this is the time and date set for the second reading of a proposed ordinance to Amend Worthington City Code Title XV, Chapter 152.012 to Include a Letter Map Revision for Flood Plain Maps Effective December 31, 2020.

A complete copy of the ordinance was provided in your October 26, 2020 Council Agenda.

A motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to approve the second reading of the proposed ordinance.

**THIRD READING AND ORDINANCE NO. 1163 ADOPTED VACATING PART OF AN ALLEY IN BLOCK 18, PLAT OF WORTHINGTON, NOBLES COUNTY, MINNESOTA**

Pursuant to published notice, this is the time and date set for the third reading of a proposed ordinance to vacate part of an Alley in Block 18, Plat of Worthington, Nobles County, Minnesota

The City Clerk is hereby directed to file a certified copy of this ordinance in the office of the Recorder in and for the County of Nobles, State of Minnesota.

A motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to approve the third reading and subsequently adopt the following ordinance:

ORDINANCE NO. 1163

AN ORDINANCE VACATING PART OF AN ALLEY IN BLOCK 18, PLAT OF WORTHINGTON, NOBLES COUNTY, MINNESOTA.

(Refer to Ordinance File for complete copy of Ordinance)

**THIRD READING AND ORDINANCE NO. 1164 ADOPTED TO AMEND TITLE XV OF THE CITY CODE OF THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA - PUD 7 AND APPROVAL OF SUMMARY PUBLICATION**

Pursuant to published notice, this is the time and date set for the third reading of a proposed ordinance to vacate part of an Alley in Block 18, Plat of Worthington, Nobles County, Minnesota

The City Clerk is hereby directed to file a certified copy of this ordinance in the office of the Recorder in and for the County of Nobles, State of Minnesota.

A motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the third reading and subsequently adopt the following ordinance:

ORDINANCE NO. 1164

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, - PUD 7 AND APPROVAL OF SUMMARY PUBLICATION

(Refer to Ordinance File for complete copy of Ordinance)

**THIRD READING AND ORDINANCE NO. 1165 ADOPTED TO AMEND WORTHINGTON CITY CODE TITLE XI, CHAPTER 113: PEDDLERS, SOLICITORS AND TRANSIENT MERCHANTS TO INCLUDE MOBILE FOOD UNITS WITH VARIOUS RESTRICTIONS**

Pursuant to published notice, this is the time and date set for the third reading of a proposed ordinance to amend Worthington City Code Chapter XI, Chapter 113: Peddlers, Solicitors and Transient Merchants to include Mobile Food Units with Various Restrictions.

In an effort to save publication costs for the multiple page ordinance, staff requested Council also approve a publication of a summary ordinance as allowed by MN Statute 331A.01, Subd. 10, which grants Councils the ability to publish a summary.

The City Clerk is hereby directed to file a certified copy of this ordinance in the office of the Recorder in and for the County of Nobles, State of Minnesota.

A motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to approve the third reading of the proposed ordinance and subsequently adopt the following ordinance:

ORDINANCE NO. 1165

AN ORDINANCE TO AMEND WORTHINGTON CITY CODE TITLE XI, CHAPTER 113: PEDDLERS, SOLICITORS AND TRANSIENT MERCHANTS TO INCLUDE MOBILE FOOD UNITS WITH VARIOUS RESTRICTIONS

(Refer to Ordinance File for complete copy of Ordinance)

**RESOLUTION NO.'S 2020-11-99, 2020-11-100, 2020-11-101, 2020-11-102, 2020-11-103, 2020-11-104 ADOPTED ACCEPTING DONATIONS OF PERSONAL PROPERTY**

Based on recommendation of the Park and Recreation Advisory Board, Staff presented six resolutions accepting park bench donations as follows:

- Jeff Berger to place a bench at the Chautauqua Park Bandshell in memory of Julia Berger.
- Dorothy Bauman to place a bench on the County trail, in memory of Loren Bauman.
- Family and friends of Linda and Eleanor Ekers, to place a bench at the Chautauqua Park Bandshell, in memory of Linda and Eleanor Ekers.
- Family and friends of Burt and Darlene Broste, to place a bench at the Chautauqua Park Bandshell, in memory of Burt and Darlene Broste.
- Kevin Lease, to place a bench at the Slater Park beach, in honor of Bruce and Dorothy Lease.
- Steve Johnson, to place a bench along the trail at the intersection of Diagonal Road and Oxford Street, in memory of Thomas and Ida Hagge.

Todd Wietzema, Public Works Director, said the donations meet all the requirements as set forth in the Parks Donation policy adopted by City Council.

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to adopt the following resolution accepting the donations.

RESOLUTION NO. 2020-11-99

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2020-11-100

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2020-11-101

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2020-11-102

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2020-11-103

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 2020-11-104

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for complete copy of Resolution)

**PARK SALES TAX CHANGE ORDER APPROVED**

Mr. Wietzema, explained Clair Van Grouw Construction, has submitted proposed change order number two. This change order would include the following:

- Soil corrections at Centennial shelter house, Buss Field restroom, and Slater restroom and shelter. These costs include labor and materials.
- Install an electric heater, instead of a natural gas heater, in the family restroom at Slater Park.

The cost associated with these proposed changes are:

\$55,392.88 for the soil corrections.  
\$1,743.93 for the change to electric heat.

The total cost of this change order would be \$57,136.81. This proposed change order has been reviewed by city staff, our civil engineer on the project, and our architect. The Park Sales Tax subcommittee has also reviewed and approved this proposed change order. The current contract price is \$1,131,453.00, with the proposed change order the cost would be \$1,188,589.81. The original architects estimate for this project was \$1,625,000.00.

A motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the Parks Sales Tax Change Order in the amount \$57,136.81.

**RESOLUTION NO. 2020-11-105 ADOPTED RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT**

Jeff Faragher, Acting Engineer, stated a feasibility report on the improvement of North Crailsheim Road (CSAH 10) from Fox Farm Road to a point 600 feet south of the north line of the Southwest Quarter of Section 22, Township 102 North, Range 40 West, Nobles County, Minnesota, by extension of the municipal water distribution system. The report has been prepared by Bolton & Menk, Inc., per Council action on June 8, 2020. Mr. Faragher explained the feasibility report provides detailed information on the proposed improvement including location, need for improvement, costs, and proposed financing. The recommendation is to schedule the hearing for the December 14, 2020 City Council Meeting.

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to receive the report and adopt the following resolution:

RESOLUTION NO. 2020-11-105

A RESOLUTION RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT

(Refer to Resolution File for complete copy of Resolution)

**DEVELOPMENT AGREEMENT APPROVED - (CLARK PROPERTIES, LLC)**

Mr. Brisson said Council approved a proposed set of terms for a development agreement to provide tax increment financing (TIF) assistance to Clark Unlimited Properties, LLC for the rehabilitation of the historic Hotel Thompson building at the September 28<sup>th</sup> City Council meeting. The City's legal counsel, Dorsey and Whitney, and the City's financial consultant, Ehlers Inc., have used the agreed upon terms to draft the development agreement. The terms outlined in the agreement include:

- The City will require approval of construction plans, execution of the TIF agreement, and sufficient need and means for the Developer to execute the project successfully
- Total project costs are anticipated to be approximately \$2.95 million
- The repairs will be completed by August 1, 2021
- The City will provide up to \$937,727 (\$479,223 present value) or 26 years of TIF for the

project, whichever comes first

- The City will provide an approximately \$103k grant and purchase roofing materials from the Developer
- Per the City's Municipal Subsidy Policy, the district will be structured as a pay-as you- go district where payments will be made to the Developer over the life of the 25-year district
- The TIF note will be issued upon completion of the minimum improvements and demonstration of the total qualified costs
- The anticipated assessment value after the repairs is projected at \$2.6 million
- The developer will reimburse the City for 100% of the costs associated with establishing the district (projected to be approximately \$35k). The City will retain \$4,300.00 from the semi-annual TIF payments for the first five years (2022-2026), a total of \$43,000.00, to reimburse the City for its legal expenses associated with establishing the district, including five (5) percent interest
- The City will retain 10% of the annual increment to cover administrative costs, including planning, management, and oversight of the district
- The developer cannot transfer the property, TIF note, or agreement without City consent

Mr. Brisson stated the proposed agreement is between the Developer, Clark Unlimited Properties, LLC, and the Worthington EDA. However, the City Council must approve any TIF district established by the EDA.

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the proposed Development Agreement between the EDA and Clark Unlimited Properties.

### **CONTRACT SERVICES APPROVED (BOLTON & MENK)**

Mr. Brisson said the EDA owns parcel 31-3850-000, approximately 82.4 acres located west of Highway 59 south of 27th Street. City staff have received a request from Cemstone to purchase the portion of parcel 31-3850-000. They would like to construct a ready-mix concrete facility on the north portion of the parcel and a small retail facility on the south portion of the parcel. It is expected that traffic from the ready-mix facility would utilize 27th Street and the retail customers would utilize an extension of the current Bioscience

Drive.

Mr. Brisson said the services of SEH, Inc. were used to assist with development plans for the area given the proposed location of the Bedford Technologies facility. Staff would like to use the services of Bolton & Menk to similarly analyze and evaluate the configuration of the proposed Cemstone parcel through the lens of efficient use of land, lot configurations, property marketability to different commercial and industrial uses, and overall compatibility with other parts of the industrial park.

The agreement is structured as an hourly, not-to-exceed, of \$5,500.00 and the deliverables (a memo regarding the above-referenced considerations) will be provided no later than December 11, 2020.

Mr. Brisson noted the Economic Development Subcommittee has reviewed the proposed development and has instructed staff to explore the proposed project further. At this time the EDA has not yet reviewed the request submitted by Cemstone. As such, staff is requesting some general feedback on the proposed development by the EDA members present before moving forward with the agreement.

A motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to approve the proposed agreement for professional services by Bolton & Menk not to exceed \$5,500.00.

#### **HOUSING & REDEVELOPMENT AUTHORITY PROJECT (PARCEL #31-1604-500)** **DISCUSSION HELD**

Mr. Brisson said staff has been working on developing an inventory of City and EDA-owned property that is available to be utilized for economic development. When staff was compiling the information two City-owned properties that are currently zoned for residential land uses were discovered.

Mr. Brisson explained the two locations have been discussed by the City HRA and the HRA has hired the services of Stacy Dilly of JD Drafting and Designs to explore proposed development for the sites. Mr. Dilly has provided the HRA with a possible site plan for parcel 31-1604-500, approximately 0.33 acres located south of Okabena Street west of Second Avenue.

The HRA is still investigating if the site and proposed development would be financially feasible, but staff would like City Council's feedback on providing the site to the HRA for the development. Staff would also like City Council to consider transferring the property to the City EDA at a minimal cost as a financial contribution to the creation of new market rate rental housing units in the City of Worthington.

Mr. Robinson stated that the plan would be to put slab grade twin units if the site is suitable. Council

agreed this would be a good use for the property and supported moving forward.

### **COUNCIL COMMITTEE REPORTS**

Mayor Kuhle - No report.

Council Member Janssen - No report.

Council Member Oberloh - Said it was good to collaborate with the County on the CARES Act sub-committee doing something to help small businesses in our communities.

Council Member Cummings - Had the opportunity to help with a food donation of Farmers Feeding Families in our community due to extra being delivered to an Iowa community. Rob Rozeboom, Risefest grew up in Worthington and called Radio Works asking for help in coordinating a drop where boxes of food could be distributed to needy families in Worthington. Within a few short hours people came together in our community to make it possible for the food to be distributed. Wanted to thank everyone that helped in some way.

Council Member Ernst - Said how lucky we were to live in our community.

Council Member Harmon - No report.

Honorary Council Member Johnson - Apologized to Chad Cummings, Radio Works for her post on Facebook concerning the food distribution, she realizes she should have talked to him first.

### **ASSISTANT CITY ADMINISTRATOR'S REPORT**

Mr. Robinson stated there is an EDA meeting on Tuesday at 3:00 p.m., a Board of Canvass meeting on Friday at 9:00 a.m. There is a chance that Worthington will be a testing center for a COVID Saliva clinic.

### **ADJOURNMENT**

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 7:57 p.m.

Mindy L. Eggers, MCMC  
City Clerk